



3rd Counter-Terrorism Financing Summit

20 - 23 NOVEMBER 2017
Kuala Lumpur | Malaysia

Powering Regional Solutions
Through Strengthened Alliances
and Innovations



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA



Australian Government
AUSTRAC

Kuala Lumpur **Communiqué**

3rd REGIONAL COUNTER-TERRORISM FINANCING SUMMIT 2017

THE KUALA LUMPUR COMMUNIQUÉ

This 3rd regional CTF Summit continued the operational initiatives and outcomes achieved at the previous two regional Summits which took place in Sydney, Australia in 2015 and in Bali, Indonesia in 2016, as articulated in the Sydney Communiqué and the Nusa Dua Statement. The third Summit was hosted by Bank Negara Malaysia in partnership with Indonesia's financial intelligence unit (FIU); PPATK and Australia's FIU; AUSTRAC.

The initiatives announced in this communiqué complement and align with announcements from other regional fora including the Sub Regional Meeting on Foreign Terrorist Fighters and Cross Border Terrorism held in Manado, Indonesia in July 2017 and the East Asia Summit held in Manila, Philippines in November 2017. These initiatives are also intended to support the forthcoming Counter-Terrorism Conference to be held in the margin of the ASEAN-Australia Special Summit 2018 in Sydney, Australia in March 2018.

The CTF Summit was officiated by the Deputy Prime Minister of Malaysia and Minister of Home Affairs, the Honourable Dato' Seri Dr. Ahmad Zahid Hamidi. The Australian Minister for Justice and Minister assisting the Prime Minister for Counter Terrorism, the Honourable Michael Keenan and the Honourable General (Ret) Wiranto, the Coordinating Minister for Politics, Law and Security of the Republic of Indonesia, also delivered remarks reflecting recent events and efforts undertaken to combat terrorism and terrorism financing. The Governor of Bank Negara Malaysia, Muhammad bin Ibrahim, FCB welcomed the participants.

The Ministers recognised the growing and evolving risk in our region including the threat from returning foreign terrorist fighters and strongly condemn the terrorist attacks perpetrated in major capitals and cities resulting in a significant number of civilians killed or injured, since the last Summit. The Ministers welcomed the CTF Summit as a vehicle for collaboration and innovation for countering terrorism financing.

The CTF Summit was attended by 445 representatives from 32 countries consisting of officials and international experts from Financial Intelligence Units (FIUs), senior representatives from the policy, regulatory, law enforcement and national security agencies, FinTech/Regtech industry, financial industry, multi-lateral bodies, think tanks and academia from across the region and the globe.

This year's CTF Summit themed "**Powering regional solutions through strengthened alliances and innovations**" further developed regional solutions to address terrorism financing issues and risks through the sharing of financial intelligence and the adoption of deliverables from the working groups, namely the Financial Intelligence Consultative Group, International Community of Experts Forum, and Community Outreach Consultative Group.

Based on the outcomes from the Plenary meetings, the CTF Summit working groups:

Commit to continue to address the risks identified in the 2016 Regional Terrorism Financing Risk Assessment as well as identify future risks, trends and operational priorities.

Collaborate in support of the Australian Government's initiative to disrupt terrorist groups, sources of funding, movement and use of funds and their overall financial networks in South East Asia (SEA) through the establishment of a SEA Counter Terrorism Financing Working Group (SEA CTFWG) that will extend the partnership with regional FIUs and other competent authorities through the CTF Summit framework.

Acknowledge the robust discussion, collaboration and outcomes achieved during the 3rd CTF Summit in Kuala Lumpur, to spearhead regional solutions through innovation in FinTech/RegTech and public-private alliances to the terrorism financing risks including from virtual currencies and new payment technologies and other emerging threats facing the region.

Support the findings from the regional risk assessment of Non-Profit Organisations (NPOs) and its recommendations, particularly to strengthen terrorism financing targeted outreach and monitoring of identified NPO sub-sets at greatest risk of terrorist financing and to develop a set of regional red flag indicators of high-risk NPO activity.

Acknowledge the NPO related initiatives being undertaken by countries, including the work of the Asia/Pacific Group On Money Laundering and MENAFATF in the area of social media and terrorism financing and development of programmes in relation to monitoring of and outreach towards at-risk NPOs.

Support the findings from the assessment on the cross border movement (CBM) of cash (and other instruments of stored value) and its recommendations to minimise unreported movement of cash across borders and to support enhanced CBM declaration data collection and monitoring capabilities, particularly within identified high risk corridors within the region.

Agree to strengthen partnerships and collaboration with industry and academia to enhance collective responses to regional priorities through the initiatives of the CTF Summit agenda and working groups.

Agree to build on the success of recent analyst exchange programmes and undertake a multi-lateral financial intelligence exercise to jointly analyse suspicious financial transactions reported within the region that relate to suspicious activities of nationals operating outside their ordinary country of residence.

Agree to use the findings of the multi-lateral financial intelligence programmes to identify the requirements of a regional ICT solution to streamline regional exchange, analysis and collaboration between competent AML/CTF authorities.

Welcome the outcomes from the codeathon, and support it as a method of engaging the broader community in addressing the risk of terrorism financing. The identified themes of increased regional collaboration and innovative approaches to developing solutions match the region's collective priorities and pave the way for shared solutions. Building on the success of this event, hold the first ASEAN-Australia codeathon in Sydney in March 2018.

Commit to expand the membership of the CTF Summit working groups to all ASEAN member countries plus Australia and New Zealand as well as broaden the scope of the CTF Summit to include other high risk financial crimes.

Continue to hold the CTF Summit annually where all actions contained in this Communiqué will be reported on and where future work will be conducted in response to evolving financial crime risks facing the region.

Thank Thailand for hosting the 4th CTF Summit in 2018.